

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6299

BILL NUMBER: HB 1022

NOTE PREPARED: Dec 12, 2013

BILL AMENDED:

SUBJECT: Sunday Sales of Alcoholic Beverages for Carryout.

FIRST AUTHOR: Rep. Eberhart

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill provides that a holder of an alcoholic beverage permit who is authorized by law to sell alcoholic beverages for carryout may sell alcoholic beverages for carryout on Sunday.

Effective Date: July 1, 2014.

Explanation of State Expenditures: The bill could potentially increase enforcement costs of the Alcohol and Tobacco Commission's (ATC) excise police by increasing the number of days that alcohol may be sold for carryout. It is estimated that the provisions of this bill can be implemented within the ATC's existing level of resources.

Explanation of State Revenues: *Summary* - The bill is not expected to have a significant impact on revenue from alcoholic beverage taxes or sales tax. While it is possible that the added convenience and availability of alcohol sales on Sundays would allow consumers to purchase more alcoholic beverages than they would have otherwise, it is assumed that the majority of consumers are able to purchase all the alcoholic beverages they desire to consume within the hours dictated by current law. Rather than increasing sales, it is more likely that allowing carryout alcohol sales on Sundays would cause a shift in sales throughout the week. The results of recent econometric research estimating the impact of Sunday sales bans on alcohol sales suggest that allowing alcohol sales for carryout on Sundays will not have a significant impact on total alcohol sales or total alcoholic beverage taxes. As a result, it is estimated that the bill would not affect total alcoholic beverage sales or revenue from alcoholic beverage taxes or sales tax.

Additional Information - Alcoholic beverage taxes are distributed in varying amounts to the following funds: state General Fund, Post War Construction Fund, Enforcement and Administration Fund, Pension Relief Fund, Addiction Services Fund, and Wine Grape Market Development Fund. Fifty percent of the General Fund distribution is set aside for General Fund purposes, and 50% is allocated to cities and towns based on population.

Sales tax revenue is deposited in the state General Fund (98.848%), the Motor Vehicle Highway Account (1%), the Commuter Rail Service Fund (0.123%), and the Industrial Rail Service Fund (0.029%).

Explanation of Local Expenditures:

Explanation of Local Revenues: The bill is not expected to have a significant impact on revenue from alcoholic beverage taxes or sales tax, so local distributions of each tax are not expected to be impacted.

State Agencies Affected: Alcohol and Tobacco Commission.

Local Agencies Affected:

Information Sources: Bernheim, B. Douglas; Meer, Jonathan; and Novarro, Neva K. "Do Consumers Exploit Precommitment Opportunities? Evidence from Natural Experiments Involving Liquor Consumption." (January 2012). Carpenter, Christopher and Eisenberg, Daniel. "Effects of Sunday Sales Restrictions on Overall and Day-Specific Alcohol Consumption: Evidence from Canada." *Journal of Studies on Alcohol and Drugs*. Vol. 70, No. 1 (January 2009). Hicks, Michael J; and Thaiprasert, Nalitra. "Package Store Retail Structure and the Regulation of Alcohol Sales." (November 2010). Stehr, Mark. "The Effect of Sunday Sales Bans and Excise Taxes on Drinking and Cross-Border Shopping for Alcoholic Beverages." *National Tax Journal*. Vol. LX, No. 1 (March 2007).

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